

Council/Agency Meeting Held: _____	City Clerk's Signature _____
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: 8/15/2005	Department ID Number: ED 05-06

CITY OF HUNTINGTON BEACH REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS
SUBMITTED BY: *Penelope Culbreth-Graft* PENELOPE CULBRETH-GRAFT, CITY ADMINISTRATOR
PREPARED BY: *Robert F. Beardsley* ROBERT F. BEARDSLEY, ACTING DIRECTOR OF ECONOMIC DEVELOPMENT
SUBJECT: **Approve Huntington Beach Auto Dealers Business Improvement District 2004-2005 Annual Report, Adopt Resolution of Intention to Levy an Annual Assessment for Fiscal Year 2005-2006 and Schedule Public Hearing for September 6, 2005**

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 CITY CLERK
 CITY OF
 HUNTINGTON BEACH, CA
 2005 AUG - 11 8:41

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: On September 8, 1992 the City Council approved Ordinance No. 3175 to establish the Huntington Beach Auto Dealers Business Improvement District (BID) as a method of financing, billing and collections for construction costs, operation, and maintenance of the electronic reader board sign and other promotional programs allowed under the law. The Parking and Business Improvement Law of 1989 requires an Annual Report be filed for each fiscal year, a Resolution of Intention be passed to levy an assessment for the next fiscal year (2005-2006), and a public hearing date be set.

Funding Source: Not applicable.

Recommended Action: Motion:

1. Approve the Huntington Beach Auto Dealers Business Improvement District Annual Report for FY 2004-2005.
2. Adopt City Council Resolution No. **2005-52** a Resolution of Intention of the City of Huntington Beach to levy an assessment for the Huntington Beach Auto Dealers Business Improvement District for fiscal year 2005-2006.
3. Direct the City Clerk to schedule a public hearing to be held on September 6, 2005 and send copies of the Resolution of Intention, BID Boundary Map, and assessment formula to each business to be assessed.

Alternative Action(s):

1. Return the 2004-2005 Annual Report of the Huntington Beach Auto Dealers Business Improvement District to the Huntington Beach Auto Dealers Association for additional information.
2. Deny the request to approve the Resolution of Intention.

E-6

REQUEST FOR ACTION

MEETING DATE: 8/15/2005

DEPARTMENT ID NUMBER:ED 05-06

Analysis: The Huntington Beach Auto Dealers Association requested the City Council to form a Business Improvement District (BID) to fulfill its obligations to operate and maintain the electronic reader board located just off the 405 freeway. Under the Business Improvement District state law, the Auto Dealers have the option of implementing other programs to enhance the District.

Dealer assessments for all dealers are \$1,325 per month; \$625 for operating costs, including the maintenance of the reader board sign, plus \$700 to repay the \$474,000 loan from the Redevelopment Agency for the upgrade of the reader board sign.

The City Council approved the loan at its meeting of May 3, 2004, and the upgraded electronic sign has been in operation since January, 2005.

Environmental Status: Not applicable.

Attachment(s):

City Clerk's Page Number	No.	Description
3	1.	Resolution of Intention to Levy Assessment for FY 2005-2006
6	2.	Exhibit A – Huntington Beach Auto Dealers BID Annual Report
11	3.	Exhibit B-1 – Huntington Beach Boulevard of Cars Boundary Map Diagram
13	4.	Exhibit B-2 – Huntington Beach Automobile Dealers Members List
15	5.	Exhibit B-3 – Huntington Beach Auto Dealers BID 2005-2006 Fiscal Year Assessments

E-6.2

E-6.3

ATTACHMENT #1

RESOLUTION NO. 2005-52

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HUNTINGTON BEACH DECLARING THE CITY'S INTENTION TO
LEVY AN ANNUAL ASSESSMENT WITHIN THE HUNTINGTON BEACH
AUTO DEALERS ASSOCIATION BUSINESS IMPROVEMENT DISTRICT FOR
FISCAL YEAR 2005-2006

WHEREAS, the Parking and Business Improvement Area Law of 1989, codified at *Streets and Highways Code* § 36500, *et seq.* (the "Act") authorizes cities to establish parking and business improvement areas for the purpose of imposing benefit assessments on businesses for certain purposes; and

The City Council has formed a business improvement area, known as the Huntington Beach Auto Dealers Association Business Improvement District (the "District"), by the passage of Ordinance 3175 on September 8, 1992. The time has come to continue the existence of the District for fiscal year 2005-2006 by levying assessments on those businesses that benefit from the improvements constructed; and

The District's Advisory Board has prepared and filed with the City Clerk a report for Fiscal Year 2004-2005, ("Annual Report") which sets forth the amount and basis of levying the assessment for Fiscal Year 2005-2006.

NOW, THEREFORE, the City Council of the City of Huntington Beach does hereby resolve, determine and find as follows:

SECTION 1. The City Council hereby approves the Annual Report filed by the Advisory Board in the City Clerk's office attached hereto as **Exhibit A** and incorporated herein by this reference, which includes a proposed budget for Fiscal Year 2005-2006 and a description of the improvements and activities to be provided for Fiscal Year 2005-2006.

SECTION 2. The City Council hereby declares its intent to levy and collect assessments within the District for Fiscal Year 2005-2006. The levy is to apply to small businesses classified by the City of Huntington Beach License Code as Class A Retail Sales, (A1) Auto, New, Used, Parts, including new business of that classification located within the District as shown in **Exhibit B-1 and listed in Exhibit B-2**, in the amounts set forth on **Exhibit B-3**, which exhibits are incorporated herein by reference.

SECTION 3. The assessments collected will be used to cover costs to operate, upgrade, and maintain an electronic reader board located within the City of Huntington Beach west of the intersection of Beach Boulevard and Center Avenue and other promotional and advertising activities.

SECTION 4. A public hearing shall be held before the City Council on September 6, 2005, at 6:00 p.m., or as soon thereafter as this matter may be heard, in the Council Chambers of the City Hall, 2000 Main Street, Huntington Beach, California, at which time the Council will hear all interested persons for or against levying of the assessment, and the furnishing of specified types of

improvements or activities. Protests may be made orally or in writing; but, if written, shall be filed with the City Clerk at or before the time fixed for the hearing and contain sufficient documentation to verify business ownership and validate the particular protest. If written protests are received by the owners of businesses within the District, which will pay 50% or more of the total assessments to be levied, no further proceedings to levy the proposed assessment shall be taken for a period of one year from the date of the finding of a majority protest by the City Council. If the majority protest is only against the furnishing of a specified type or types of improvements or activity within the District, those types of improvements or activities shall be eliminated.

SECTION 5. The City Clerk is hereby directed to provide notice of the public hearing by causing the this resolution of intention to be published once in a newspaper of general circulation at least seven days before the public hearing.

SECTION 6. Further information regarding the proposed business improvement district may be obtained at the Huntington Beach City Hall, 2000 Main Street, Huntington Beach, California 92648; telephone (714) 536-5542; or from the Huntington Beach Auto Dealers Association, Inc., P.O. Box 2700, Huntington Beach, CA 92648; telephone (949) 831-3443.

SECTION 7. The City Clerk shall mail a complete copy of this resolution of intention by first-class mail to each business owner in this area within seven days after the Council's adoption of this resolution.

SECTION 8. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 2005.

Mayor

REVIEWED AND APPROVED:

Lynette Cullum
City Administrator

APPROVED AS TO FORM:

Kenneth M. Ford
City Attorney
4/22/05

INITIATED AND APPROVED:

RT Beaulieu
Director of Economic Development
8/3/05

E-6.5

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ATTACHMENT #2

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Huntington Beach Auto Dealers Business Improvement District

Fiscal Year 2004-2005

Annual Report

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BUDGET PROPOSAL

FOR THE PERIOD OCTOBER 1, 2005 TO SEPTEMBER 30, 2006

HUNTINGTON BEACH AUTO DEALERS ASSOCIATION BUSINESS IMPROVEMENT DISTRICT

REVENUE

Dealer Assessments (Net)	\$89,100
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EXPENSES

Administrative Expenses	\$12,500
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Electricity	16,000
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Escrow Services	3,000
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Insurance/Taxes	8,550
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Phone	360
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Program and Maintenance	17,160
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Community Relations, Charitable & School Support Projects	30,000
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Miscellaneous	1,500
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TOTAL EXPENSES	\$89,070
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INCOME EXCEEDS EXPENSES	\$30
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SUMMARY OF SIGNIFICANT BUDGET ASSUMPTIONS FOR THIS BUDGET PROPOSAL

NOTE 1 DEALER ASSESSMENTS--Dealer Assessments are based on \$625 per month for each of thirteen dealer members. The total assessment income is net after a 1% city administrative charge.

NOTE 2 OTHER EXPENSES--All expenses are based on estimates derived from current and previous months' and years activities.

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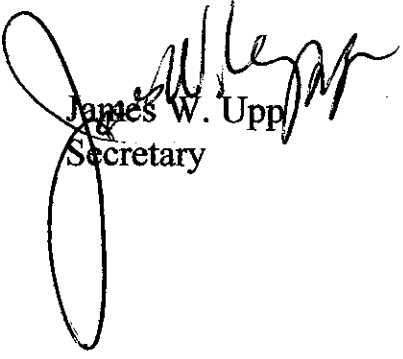
**RESOLUTION PASSED AT HUNTINGTON BEACH AUTO DEALERS
BUSINESS IMPROVEMENT DISTRICT BOARD OF DIRECTORS SPECIAL
MEETING ON JULY 1, 2005**

Chief Financial Officer Bill Demarest moved and President Pat Finley seconded a motion to approve the 2005-2006 Budget as presented and further to instruct Jim Upp, Secretary, to send the proper documents to request City Council approval of the Business Improvement District's 2005-2006 Budget. The motion was passed unanimously.

The individual member monthly assessment will be \$625 for operating the Business Improvement District including the reader board sign. This assessment will be in addition to the individual member monthly assessment of \$700 for paying off the \$474,000 sign loan.

Motion was passed unanimously.

**I CERTIFY THAT THIS IS A TRUE COPY OF A RESOLUTION FROM THE
JULY 1, 2004 MEETING.**


James W. Upp
Secretary

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Huntington Beach Auto Dealers Association Business Improvement District May 2005 Operating Statement

Fiscal Year is: October 1 - September 30

	May-2005	Fiscal Year to Date Total
Income		
Dealer Assessments	\$0.00	\$34,328.25
Misc. Income	\$0.00	\$5,225.00
Interest	\$0.00	\$333.84
Total Income	<u>\$0.00</u>	<u>\$39,887.09</u>

Expenses

Administrative Expenses	\$2,486.31	\$8,297.23
Community Relations Projects	\$3,500.00	\$25,550.00
Electricity	\$0.00	\$8,946.22
Escrow Services	\$250.00	\$2,000.00
Insurance/Taxes	\$0.00	\$3,553.00
Miscellaneous	\$0.00	\$580.48
Phone	\$0.00	\$266.73
Program Maintenance	\$0.00	\$11,980.00
Total Expenses	<u>\$6,236.31</u>	<u>\$61,173.66</u>

Income Less Expenses	(\$6,236.31)	(\$21,286.57)
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Cash in Bank Balance as of:	5/31/2005
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General Account	\$14,776.48
Money Market	\$0.00
Total	<u><u>\$14,776.48</u></u>

Southern California Edison Bill was paid on 6/3/2005.
Verizon Bill was paid on 6/3/2005. Electra-Media, Inc.
has a credit balance pending.

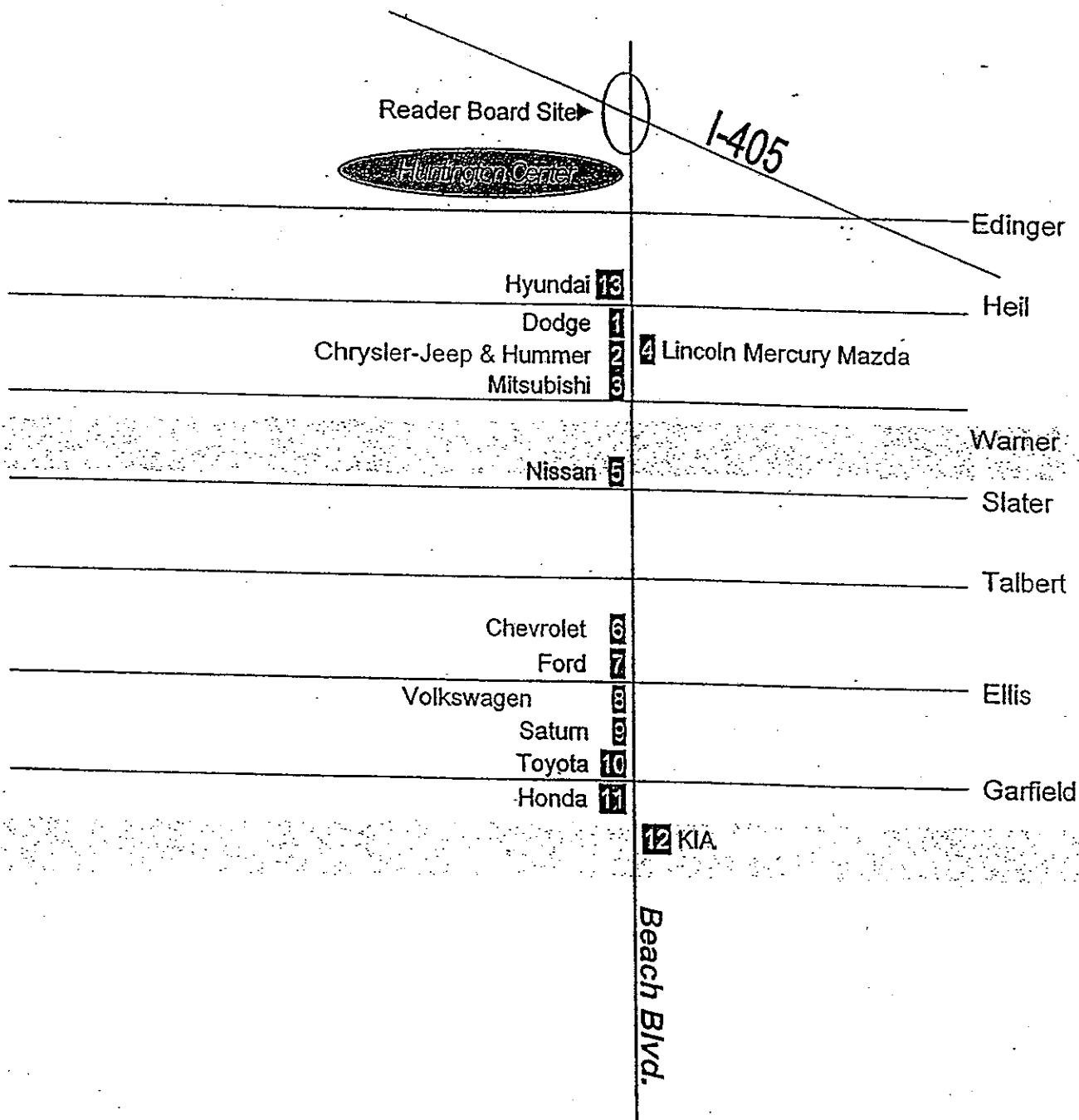
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ATTACHMENT #3

EXHIBIT B-1

Huntington Beach
BLVD of CARS



E-6.12

E-6.13

ATTACHMENT #4

Huntington Beach Automobile Dealers

- | | |
|---|---|
| <ul style="list-style-type: none"> ❑ M. Chesrown/Jay Goodart
Huntington Beach Hyundai
16401 Beach Blvd.
Huntington Beach, CA 9267
(714) 841-9828 FAX 842-8499
 ❑ Steve Brown/Ed Ismail
Heritage Lincoln-Mercury-Mazda
16800 Beach Boulevard
Huntington Beach, CA 92647
(714) 848-7739 FAX 847-1265
 ❑ Tom Croxton/Jim Mulvaney
Huntington Beach Mitsubishi
16751 Beach Blvd.
Huntington Beach, CA 92647
(714) 375-9493 Fax 842-1563
 ❑ Dave DeLillo/Bill Demarest
DeLillo Chevrolet
18211 Beach Boulevard
Huntington Beach, CA 92647
(714) 847-6087 FAX 847-6721
 ❑ Rick Evans/Ross Helman
Huntington Beach Chrysler, Jeep,
Hummer
16710 Beach Boulevard
Huntington Beach, CA 92647
(714) 841-3999, ext. 221
FAX 842-2903/841-9993
 ❑ Robert Levenstein
Power Ford
18255 Beach Boulevard
Huntington Beach, CA 92648
(714) 842-6611 FAX 848-3481
 ❑ Carl Rossman/Dave Hupart
KIA of Huntington Beach
19232 Beach Blvd.
Huntington Beach, CA 92648
(714) 593-5851 FAX (714) 593-5852 | <ul style="list-style-type: none"> ❑ Douglas Spedding/Pat Finely
Douglas Nissan
17331 Beach Boulevard
Huntington Beach, CA 92647
(714) 842-6666 FAX 375-0076
 ❑ Clay James/John Holmbeck
Huntington Beach Dodge
16555 Beach Boulevard
Huntington Beach, CA 92647
(714) 847-5515 Ext. 232
FAX 596-0230
 ❑ Chris Ondell
Saturn of Huntington Beach
18801 Beach Boulevard
Huntington Beach, CA 92648
(714) 841-9828 FAX 842-8499
 ❑ Danny McKenna
McKenna Motors Huntington Beach
18711 Beach Blvd.
Huntington Beach, CA 92648
842-2000 FAX 841-7819
 ❑ Jerry Benn/John Dalpe
Norm Reeves Honda
19131 Beach Boulevard
Huntington Beach, CA 92648
(714) 963-1959 FAX 375-9783
 ❑ Bob Miller/Dennis Prado
Toyota of Huntington Beach
18881 Beach Boulevard
Huntington Beach, CA 92648
(714) 847-8555 FAX 847-1105
 ❑ Jim Upp
Executive Director
Huntington Beach Auto Dealers Assoc.
28141 Bluebell Dr.
Laguna Niguel, CA 92677-7067
(949) 831-3443 |
|---|---|

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ATTACHMENT #5

EXHIBIT B-3

**HUNTINGTON BEACH AUTO DEALERS
BUSINESS IMPROVEMENT DISTRICT
2005-2006 FISCAL YEAR ASSESSMENTS**

Monthly Assessment for Fiscal Year October 2005 to September 2006	\$ 625.00
Monthly Assessment for Loan Repayment	<u>700.00</u>
TOTAL MONTHLY ASSESSMENT OF EACH DEALER FOR 2005-2006 FISCAL YEAR	\$1,325.00

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